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REC'D TN
REGULATORY AUTH.

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OFFICE OF THE
EXECUTIVE SECRETARY

GEORGE H. LENNON
DAVID G. CROCKER
MICHAEL D. O'CONNOR
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER
GARY P. BARTOSIEWICZ
BLAKE D. CROCKER

ROBERT M. TAYLOR
RON W. KIMBREL
PATRICK D. CROCKER
ANDREW J. VORBRICH
TYREN R. CUDNEY
WILLIAM B. JOHNSON
STEVEN M. BROWN
KRISTEN L. GETTING

OF COUNSEL

THOMPSON BENNETT
JOHN T. PETERS, JR.

VINCENT T. EARLY
(1922 - 2001)
JOSEPH J. BURGIE
(1926 - 1992)

April 3, 2002

Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: NUI Telecom, Inc.

Dear Sir:

02-00413

PAID T.R.A.	
Chk #	3524
Amount	25.00
Rcvd By	JK
Date	4-4-02

Enclosed for filing with the Regulatory Authority, please find an original and thirteen (13) copies of the above captioned corporation's *APPLICATION FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES* within the State of Tennessee, along with a check in the amount of \$25.00 for filing fees relating to same.

In addition, enclosed is a duplicate copy of this filing. Please date-stamp the duplicate and return it to me in the enclosed stamped, self-addressed envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker PDC

Patrick D. Crocker
PDC/pas

Enclosures

PAID 4/11/02

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF NUI TELECOM, INC.
FOR A CERTIFICATE
TO PROVIDE COMPETING LOCAL
TELECOMMUNICATION SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), NUI Telecom, Inc. ("NUI") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to NUI authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. NUI is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, NUI submits the following:

1. The full name and address of the Applicant is:

NUI Telecom, Inc.
550 Route 202-206, 2nd Floor
Bedminster, NJ 07921
Telephone: (908) 470-4700
Facsimile: (908) 470-4707
Toll Free: (800) 768-2852

Questions regarding this application should be directed to:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Telephone: (616) 381-8844
Facsimile: (616) 349-8525

Contact name and address at the Company is:

Richard M. Boudria, President
NUI Telecom, Inc.
550 Route 202-206, 2nd Floor
Bedminster, NJ 07921
Telephone: (908) 470-4700
Facsimile: (908) 470-4707

2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.

See **Exhibit A**

3. Corporate information:

NUI Telecom, Inc. f/k/a International Telephone Group, Inc. was organized the State of New Jersey on April 4, 1994. A copy of NUI's Articles of Incorporation is provided in **Exhibit B**. A copy of NUI's Authority to transact business in the State of Tennessee is provided in **Exhibit C**. The names and addresses of the principal corporate officers and directors are provided in **Exhibit D**. There are no officers in Tennessee. The biographies of the principal officers and any other key technical staff are in **Exhibit E**.

4. NUI possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications:

NUI is a wholly owned subsidiary of NUI Corporation. In support of its financial qualifications, NUI Telecom, Inc. attaches NUI Corporation's 10Q as **Exhibit F**.

Exhibit G is a capital expenditures budget for 2001, 2002, and 2003 indicating type of equipment to be purchased, cost, and sources for funding of projected capital expenditures.

NUI's financials nor their projected financials reflect any revenues or expenses associated with reciprocal compensation.

Corporate Surety Bond is provided as **Exhibit H**

B. Managerial Ability:

As shown in **Exhibit E** to this Application, NUI has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, NUI's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

NUI services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC'S regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carrier's systems. As noted in the biographies Exhibit E of the principal officers, the officers have several years of telecommunications expertise. Thus, NUI is certainly technically qualified to provide local exchange service in Tennessee.

5. Proposed Service Area:

NUI is authorized to provide telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Washington and Wyoming.

The applicant proposes to offer its services throughout the State of Tennessee as reseller in the areas that are currently being served by BellSouth and Sprint/United, which are designated open to competition. NUI intends to offer this broad range of telecommunications services through the use of resold facilities.

6. Types of Local Exchange Service to be provided:

NUI expects to offer a broad variety of local exchange services, primarily to residential customers in Tennessee. NUI's initial line of local services will be comparable to that currently offered by the incumbent LECS. Initially NUI plans to offer basic access line service, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (6) and (2).

7. Repair and Maintenance:

NUI understands the importance of effective customer service for local service customers. NUI has made arrangements for its customers to call the company at its toll- free customer service number 1-800-768-2852. In addition, customers may contact the company in writing at the headquarters address. The toll free number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about providers operations is Richard Boudria reference (1.) above.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing NUI to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by NUI and indirectly, because NUI's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-212):
Exhibit I
9. Toll Dialing Parity Plan: **Exhibit J**
10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the companies intention of operating geographically. See **Exhibit K** for the list.
11. Numbering Issues: Statement provided in **Exhibit L**
12. Tennessee Specific Operational Issues: Statements provided in **Exhibit M**
13. Miscellaneous:
 - A. Sworn Pre-filed testimony: **Exhibit N**
 - B. Applicant does not require customer deposits
 - C. As of now NUI has not been subject to complaints in any of the states, in which we are doing business.
 - D. Applicant will file a tariff for Commission approval prior to commencing operations in Tennessee.

CONCLUSION:

NUI respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange service on a resale basis throughout the State of Tennessee in the service areas of Bell South, GTE and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, NUI's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 3rd day of April, 2002

Patrick D. Crocker
Counsel for NUI Telecom, Inc.
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
616-381-8844 Telephone
313-349-8525 Facsimile

EXHIBIT A

Organizational Chart of Corporate Structure

Corporate Overview

Corporate Profile

NUI Corporation -- (NYSE:NUI) -- based in Bedminster, New Jersey, is a multi-state company engaged in the sale and distribution of natural gas, energy commodity trading and marketing, sales outsourcing and telecommunications. The Company's utility divisions serve approximately 380,000 customers in seven states along the eastern seaboard of the United States and comprise Elizabethtown Gas (NJ), City Gas Company of Florida, North Carolina Gas, Valley Cities Gas (PA), Elkton Gas (MD), Waverly Gas (NY) and Virginia Gas. Virginia Gas is also engaged in other activities, such as pipeline operation, natural gas storage, gathering, marketing and distribution services; natural gas exploration, production and well operation; and propane distribution. NUI's other businesses include NUI Energy Brokers, Inc., an energy wholesaler; NUI Energy, Inc., an energy retailer; NUI Energy Solutions, Inc., an energy project development and consulting entity; NUI Ventures, a business development division (NUI Environmental Group, NUI International, NUI Fuel Cell Ventures); Utility Business Services, Inc., a customer and geographic information systems and services subsidiary; TIC Enterprises, LLC, a sales outsourcing firm; and NUI Telecom, Inc., a full-service telecommunications company

EXHIBIT B

Articles of Incorporation

**CERTIFICATE PURSUANT TO N.J.S.A. 14A:9-5
BY INTERNATIONAL TELEPHONE GROUP, INC.**

F I L E D

FEB 22 2000

**TO: Secretary of State
State of New Jersey**

State Treasurer

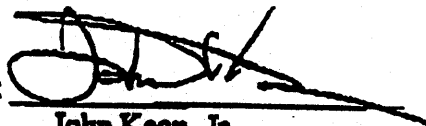
Pursuant to the provisions of N.J.S.A. 14A:9-5 of the New Jersey Business Corporation Act; the undersigned Corporation certifies that:

1. The name of the Corporation is International Telephone Group, Inc. to be changed by the attached Restated and Amended Certificate of Incorporation to "NUI Telecom, Inc."
2. The attached Restated and Amended Certificate of Incorporation was approved by the Directors of the Corporation and thereafter duly adopted by the shareholders of the Corporation on the date hereof.
3. The total number of shares entitled to vote was 94.9375. The number of shares voting for such amendment was 94.9375. The number of shares voting against such amendment is 0.
4. The Amended and Restated Certificate of Incorporation shall be effective as of February 22, 2000.

DATED: 2/18/00

**NUI Telecom, Inc.
formerly International Telephone Group, Inc.**

By:



**John Kean, Jr.
Chairman**

necessary or appropriate for the accomplishment of the stated purposes for which the Corporation is organized.

ARTICLE VI. BOARD OF DIRECTORS

There are five (5) Directors of the Corporation. Their names and addresses are:

John Kean, Jr.
550 Route 202/206
P.O. Box 760
Bedminster, New Jersey 07921

A. Mark Abramovic
550 Route 202/206
P.O. Box 760
Bedminster, New Jersey 07921

James R. Van Horn
550 Route 202/206
P.O. Box 760
Bedminster, New Jersey 07921

Robert Lurie
550 Route 202/206
P.O. Box 760
Bedminster, New Jersey 07921

Richard M. Boudria
1300 Mount Kemble Avenue
Morristown, New Jersey 07960

The number of directors shall be fixed by the by-laws, which may specify that the number of directors shall not be less than a specified minimum or more than a specified maximum and provide a method for determining the actual number. The shareholders of the Corporation shall have the authority to elect or remove any or all of the directors with or without cause on the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote for the election of directors.

ARTICLE VII. MEETINGS

Any action required or permitted to be taken by the shareholders of the Corporation must be effected at an annual or special meeting of shareholders of the Corporation or may be taken without a meeting if all the shareholders entitled to vote thereon consent thereto in writing. Except as otherwise required by law and subject to the rights of the holders of any class or any series of preferred stock having a preference over the common stock as to dividends or upon liquidation, special meetings of shareholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized Directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

ARTICLE VII. CORPORATE BY-LAWS

Except as set forth in the final sentence of this subsection, the By-Laws of the Corporation may be altered, amended or repealed by the affirmative vote of a majority of the entire Board of Directors then in office. The By-Laws of the Corporation may also be altered, amended or repealed by the shareholders, but only by an affirmative vote of the holders of at least 75 percent of all the then-outstanding shares of the voting stock, voting together as a single class. Any By-Law may provide that it may only be altered, amended or repealed by the affirmative vote of the holders of at least 75 percent of all the then-outstanding shares of the voting stock, voting together as a single class, in which event such By-Law may only be altered, amended or repealed by such vote.

**ARTICLE IX. NO PERSONAL LIABILITY/INDEMNIFICATION
OF CORPORATE AGENTS**

(a) A Director or officer of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as Director or officer, as the case may be, except to the extent that such exemption from liability or limitation of liability is not permitted under the New Jersey Business Corporation Act as currently in effect or as subsequently amended. No amendment to or repeal of this Article IX and no amendment to or repeal or termination of effectiveness of any law permitting the exemption from or limitation of liability provided for in this Article IX shall apply to or have any effect on the liability or alleged liability of any Director or officer for or with respect to any acts or omissions of that director or officer occurring prior to such amendment, repeal or termination of effectiveness.

(b)(1) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person or anyone for whom such person is the legal representative, is or was a Director or officer of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or inaction in an official capacity as a Director, officer, employee or agent or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the New Jersey Business Corporation Act or any other law, as the same exists or may hereafter be amended (but in the case of any such amendment, only to the extent that such amendment

permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in this paragraph (b), the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this paragraph (b) shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the New Jersey Business Corporation Act requires, the payment of such expenses incurred by a Director or officer in his or her capacity as a Director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such person while a Director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced unless it shall ultimately be determined that such Director or officer is entitled to be indemnified under this Section or otherwise. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of Directors and officers.

(2) Right of Claimant to Bring Suit. If a claim under subparagraph (b)(1) is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or part, the claimant shall be entitled to be paid also the expense (including, without limitation, reasonable attorney fees) of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the New Jersey Business Corporation Act for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the New Jersey Business Corporation Act nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(3) Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this paragraph (b) shall not be exclusive of any other right which any person may have or hereafter acquire

under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of shareholders or disinterested Directors or otherwise.

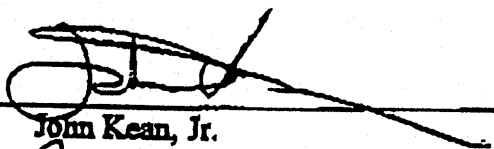
(4) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the New Jersey Business Corporation Act.

ARTICLE X. AMENDMENTS

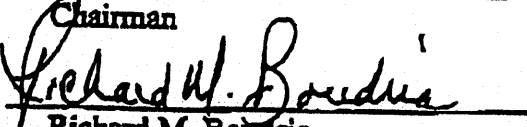
The Corporation reserves the right to amend and repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of New Jersey. All rights herein conferred are granted subject to this reservation.

NUI Telecom, Inc.

By:


John Kean, Jr.
Chairman

By:


Richard M. Boudria
President


James R. Van Horn
Secretary

FILED

CERTIFICATE OF INCORPORATION

OF

APR 14 1994

INTERNATIONAL TELEPHONE GROUP, INC.

LONNA R. HOOKS
Secretary of State

ARTICLE I. CORPORATE NAME

The name of the Corporation is INTERNATIONAL TELEPHONE GROUP, INC.

ARTICLE II. REGISTERED OFFICE

The address of the Corporation's registered office in the State of New Jersey is 1300 Mount Kemble Avenue, Morristown, New Jersey, 07960. The name of the registered agent of the Corporation at such address is Richard M. Boudria.

ARTICLE III. CORPORATE PURPOSE

The Corporation is organized to engage in any business that may be permitted by the New Jersey Business Corporation Act.

ARTICLE IV. AUTHORIZED SHARES

The total number of shares of stock which the Corporation is authorized to issue is two thousand five hundred (2,500) shares of common stock, having no par value.

ARTICLE V. CORPORATE POWERS

The Corporation shall have and exercise all powers and privileges now or subsequently conferred by the laws of the State of New Jersey, including without limitation all powers necessary or appropriate for the accomplishment of the stated purposes for which the Corporation is organized.

ARTICLE VI. BOARD OF DIRECTORS

The Corporation shall be governed by a board of directors. The number of directors composing the initial board shall be one (1). The name and address of the person who shall serve as initial director is:

Richard M. Boudria
1300 Mount Kemble Avenue
Morristown, New Jersey 07960

The number of directors other than the initial directors shall be fixed by the by-laws, which may specify that the number of directors shall not be less than a specified minimum or more than a specified maximum and provide a method for determining the actual number. The shareholders of the Corporation shall have the authority to elect or remove any or all of the directors with or without cause on the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote for the election of directors.

ARTICLE VII. CORPORATE BY-LAWS

In furtherance and not in limitation of the powers conferred by the laws of the State of New Jersey, the board of directors is expressly authorized to adopt, amend or repeal the by-laws.

ARTICLE VIII. INDEMNIFICATION OF CORPORATE AGENTS

Every corporate agent, as defined in Section 14A:3-5 of the New Jersey Business Corporation Act, shall be indemnified by the Corporation to the full extent permitted by law against any and all liability and reasonable costs and expenses incurred by the agent in connection with or resulting from any claim, action, suit or proceeding in which the agent may be involved by reason of being or having been a director, officer or employee, provided that the agent has not engaged in willful misconduct in the performance of any duties.

ARTICLE IX. NO PERSONAL LIABILITY FOR DUTY OF CARE

To the fullest extent permitted by Section 14A:2-7 of the New Jersey Business Corporation Act as the same now exists or may hereafter be amended in a manner more favorable to directors, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of their duty of care as a director.

ARTICLE X. AMENDMENTS

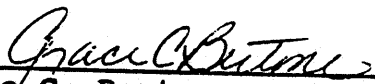
The Corporation reserves the right to amend and repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of New Jersey. All rights herein conferred are granted subject to this reservation.

ARTICLE XI. INCORPORATOR

The incorporator is Grace C. Bertone, whose mailing address is c/o McElroy, Deutsch & Mulvaney, 1300 Mt. Kemble Avenue, P.O. Box 2075, Morristown, New Jersey 07962-2075.

ARTICLE XII. EFFECTIVE DATE

I, THE UNDERSIGNED, being the incorporator, for the purpose of forming a Corporation under the laws of the State of New Jersey do make, file and record this Certificate of Incorporation, do certify that the facts herein stated are true and, accordingly, have hereto set my hand and seal this 12th day of April, 1994.



Grace C. Bertone
Incorporator

EXHIBIT C

Certificate of Authority to Transact Business

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 11/29/01
REQUEST NUMBER: 4357-2489
TELEPHONE CONTACT: (615) 741 2286
FILE DATE/TIME: 11/29/01 1108
EFFECTIVE DATE/TIME: 11/29/01 1108
CONTROL NUMBER: 0417797

TO:
CORPORATION GUARANTEE AND TRUST CO
TWO GREENWOOD SQUARE
3331 STREET RD S110
BENSALEM, PA 19020

RE:
NUI TELECOM, INC.
APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY
FOR PROFIT

ON DATE: 11/29/01

FROM:
CORPORATION GUARANTEE AND TR
3331 STREET ROAD
SUITE 110
BENSALEM, PA 19020-0000

RECEIVED: FEES \$600.00 \$0.00
TOTAL PAYMENT RECEIVED: \$600.00

RECEIPT NUMBER: 00002965192
ACCOUNT NUMBER: 00362848



SS-445X

Riley C. Darneil

RILEY C. DARNEIL
SECRETARY OF STATE



Department of State
Corporations Section
18th Floor, James K. Polk Building
Nashville, TN 37243-0306

APPLICATION FOR
CERTIFICATE OF AUTHORITY
(FOR PROFIT)

FILED
NOV 27 11:08
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is NUI TELECOM, INC.

*If different, the name under which the certificate of authority is to be obtained is _____

(NOTES: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. *If obtaining a certificate of authority under a different corporate name, an application for registration of an assumed corporate name must be filed pursuant to Section 48-14-101(d) with an additional \$20.00 fee.)

2. The state or country under whose law it is incorporated is NEW JERSEY

3. The date of its incorporation is 4/14/1994 (must be month, day, and year), and the period of duration, if other than perpetual, is PERPETUAL

4. The complete street address (including zip code) of its principal office is
550 ROUTE 202-206, 2ND FL., BEDMINSTER, NJ 07921
Street City State/Country Zip Code

5. The complete street address (including the county and the zip code) of its registered office in Tennessee and the name of its registered agent is

230 FOURTH AVENUE NORTH, 3RD FL., NASHVILLE, TN 37219-
Street City County Zip Code
JOSEPH MARTIN, JR., ESQ.
Registered Agent

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.) SEE ATTACHED LIST

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

RICHARD M. BOUDRIA - DIRECTOR - 14 KNAPTON HILL RD., MENDHAM, NJ 07945
ROBERT F. LURIE - DIRECTOR - 8 STURBRIDGE CT., LAMBERTVILLE, NJ 08530

8. If the corporation commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year) UPON QUALIFICATION

9. The corporation is a corporation for profit.

10. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____

(date). (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.]

Signature Date

11/16/01
President + CEO
Signer's Capacity

NUI TELECOM, INC.

Name of Corporation

Richard M. Boudria
Signature

Richard M. Boudria
Name (typed or printed)

SS-4431 (Rev. 3/99)

RDA 1678

NUI TELECOM, INC.

LIST OF OFFICERS & DIRECTORS

NAME	OFFICE HELD	ADDRESS
Richard M. Boudria	Dir., President & CEO	14 Knapton Hill Road Mendham, NJ 07945
Jeanne M. Bratsafolis	Secretary	7 Kary Way Morristown, NJ 07960
Patti Helfer	Treasurer	14 Stout Drive Belle Meade, NJ 08502
Robert F. Lurie	Director	8 Sturbridge Court Lambertville, NJ 08530

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
SHORT FORM STANDING

NUI TELECOM, INC.

With the Previous or Alternate Name

INTERNATIONAL TELEPHONE GROUP, INC. (Previous Name)

*I, the Treasurer of the State of New Jersey,
do hereby certify that the above-named
New Jersey Domestic Profit Corporation was
registered by this office on April 14, 1994.*

*As of the date of this certificate, said business
continues as an active business in good standing
in the State of New Jersey, and its Annual Reports
are current.*

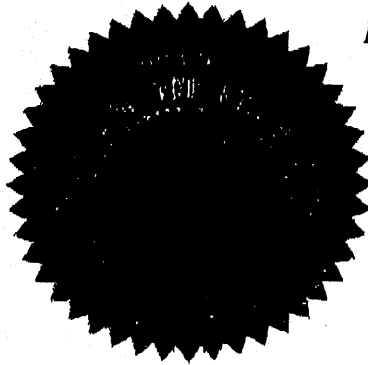
*I further certify that the registered agent and
registered office are:*

**Richard M Boudria
1300 Mount Kemble Avenue
Morristown, NJ 07960**

Continued on next page . . .

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
SHORT FORM STANDING

NUI TELECOM, INC.
With the Previous or Alternate Name
INTERNATIONAL TELEPHONE GROUP, INC. (Previous Name)



IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
at Trenton, this
27th day of November, 2001

A handwritten signature in cursive script, reading "Peter R. Lawrance".

Peter R Lawrance
Acting State Treasurer

EXHIBIT D

Corporate Officers

OFFICERS AND DIRECTORS

NUI TELECOM, INC.

**550 Route 202/206
Bedminster, NJ 07921
(908) 470-4700**

Officers:

Richard M. Boudria	President/CEO
Jeanne M. Bratsafolis	Secretary
Patti Helfer	Treasurer

Directors:

Richard M. Boudria
Robert Lourie

Ownership:

Applicant is a wholly owned subsidiary of NUI Corporation.

EXHIBIT E

Biographies

Management Team

Richard Boudria Chairman/CEO

Following his service as a Captain in the U.S. Marine Corps., Mr. Boudria received his MBA from the University of Maryland in 1973. Since that time he has held corporate positions in finance, marketing and strategic planning with Merrill Lynch, Xerox and GTE respectively.

He then went on to provide telecommunications consulting services to such companies as IBM, Morgan Stanley and Chase, prior to founding International Telephone Group (ITG), in 1994.

Upon building ITG into a sizable and profitable telecom provider, he sold the company to NUI Corporation, five years later. Today, Dick continues to oversee the company's operations and expansion as President & CEO, while also serving as an officer of the parent company, NUI.

Bill Mulcahy President/COO

After eighteen years experience in the development and management of "real-time" data and voice systems within the global financial community, at such firms as Citicorp, JJ Kenny & Reuters, Bill was involved, as a co-founder, in the start-up of a number of Internet companies based on advanced multimedia and transactional technology. Some of the clients these companies supported ranged from AT&T, Boeing and WorldCom to Goldman Sachs, Reuters and Polygram.

Upon the sale of his London based Internet company, Bill returned to the US and provided consulting services to the healthcare community prior to coming to NUI Telecom as a consultant in March of 2000. He was made the VP of technology and new ventures at NUI Telecom in January of this year and is responsible for the strategic planning and management of NUI Telecom's operations and partnership ventures that include becoming a facilities based carrier with expansion into international markets.

Tom McCrossen VP Marketing

Prior to joining NUI, Tom was a founder and principal of LDM Systems, a multi-faceted telecommunications firm that offered local and long distance voice and data products within the United States. Since LDM's acquisition by RSL Communications, Tom held the positions of Executive Vice President for Retail Markets and Vice President for Business development. Tom was responsible for key acquisitions within the US and integration of its global marketing strategy, with particular emphasis on RSL's operations in the Dominican Republic, Mexico and Canada.

With over twenty years experience in the telecommunications industry, Tom has held management positions at Allnet Communications, MCI Communications and Rochester Telephone. While at MCI, he was a three-time member of the Chairman's 100 Inner Circle, in recognition as the top revenue-producing channel in the company.

Tom has also served on the Mayor's task force for telecommunications for the City of New York and helped the city draft the Telecommunications Recovery Act for the City of New York.

David Rodgers
VP Finance/CFO

After receiving his MBA at the top of his class from Purdue, David worked in positions of increasing responsibility with United Technologies and GAF, including Director of International Finance and Director of Financial Planning and Analysis. He has extensive experience in business planning, cross-border cash management, and international capital investment. David led the effort to execute International Telephone Group's acquisition by NUI, and to integrate the two companies' financial and information systems. As CFO of NUI Telecom, he managed the consolidation of billing systems and led other important initiatives.

Scott Howsare
VP Operations

Scott has worked in the telecommunications industry since 1995, serving in positions of increasing responsibility with National Tel and Network One, including Operations Manager and Vice President of Product and OSS [operations support systems] Integration. Scott is extremely well versed in provisioning, customer support and billing systems within the CLEC market, and is a valuable new addition to the team.

EXHIBIT F

Financial Qualifications

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-16385

NUI CORPORATION
(Exact name of registrant as specified in its charter)

New Jersey
(State of incorporation)

22-3708029
(IRS employer identification no.)

550 Route 202-206, PO Box 760, Bedminster, New Jersey 07921-0760
(Address of principal executive offices, including zip code)

(908) 781-0500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each of the registrant's classes of common stock, as of July 31, 2001: Common Stock, No Par Value: 13,751,703 shares outstanding.

NUI Corporation and Subsidiaries
Consolidated Statement of Income (Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended June 30, 2001 2000		Nine Mo Ende June 3 2001
Operating Margins			
Revenues	\$ 231,929	\$ 198,739	\$ 976,194
Less- Purchased gas and fuel	170,149	154,927	769,079
Cost of sales and services	5,322	3,624	16,165
Energy taxes	3,509	1,994	12,273
	52,949	38,194	178,677
Other Operating Expenses			
Operations and maintenance	36,580	22,078	85,665
Depreciation and amortization	8,391	6,982	23,461
Taxes, other than income taxes	1,194	2,201	6,092
	46,165	31,261	115,218
Operating Income	6,784	6,933	63,459
Other Income and Expense, Net			
Equity in earnings (losses) of TIC Enterprises, LLC, net	(762)	(245)	(5,954)
Equity in earnings (losses) of Virginia Gas Storage Company	42	-	42
Other	394	48	1,181
	(326)	(197)	(4,731)
Income before Interest and Taxes	6,458	6,736	58,728
Interest expense	5,754	4,114	17,990
Income before Income Taxes	704	2,622	40,738
Income tax expense	43	1,158	16,911
Net Income	\$ 661	\$ 1,464	\$ 23,827
	=====	=====	=====
Net Income Per Share of Common Stock	\$ 0.05	\$ 0.11	\$ 1.80
	=====	=====	=====
Dividends Per Share of Common Stock	\$ 0.245	\$ 0.245	\$ 0.735
	=====	=====	=====
Weighted Average Number of Shares of Common Stock Outstanding	13,739,237	12,956,647	13,221,829
	=====	=====	=====

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Consolidated Balance Sheet
(Dollars in thousands)

	June 30, 2001 (Unaudited)	September 30, 2000 *
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,971	\$ 3,515
Accounts receivable (less allowance for doubtful accounts of \$2,468 and \$1,544, respectively)	105,650	108,425
Notes Receivable	-	7,000
Fuel inventories, at average cost	35,372	37,177
Unrecovered purchased gas costs	45,785	3,500
Prepayments and other	105,494	63,360
Total Current Assets	299,272	222,977
Property, Plant and Equipment		
Property, plant and equipment at original cost	928,323	828,359
Accumulated depreciation and amortization	(308,375)	(281,976)
Unamortized plant acquisition adjustments, net	28,355	29,460
	648,303	575,843
Funds for Construction Held by Trustee	15,501	28,706
Investments in TIC Enterprises, LLC	-	26,225
Other Investments	5,688	1,191
Assets Held for Sale	3,744	-
Other Assets		
Regulatory Assets	49,986	50,615
Deferred Assets	68,692	15,300
Total Other Assets	118,678	65,915
Total Assets	\$ 1,091,186 =====	\$ 920,857 =====
CAPITALIZATION AND LIABILITIES		
Current Liabilities		
Notes payable to banks	\$ 215,832	\$ 96,700
Notes payable	3,000	-
Current portion of capital lease obligations	2,123	1,965
Accounts payable, customer deposits and accrued liabilities	129,270	132,207
Federal income and other taxes	13,977	11,884
	364,202	242,756
Other Liabilities		
Capital lease obligations	3,714	4,396
Deferred federal income taxes	85,511	75,248
Unamortized investment tax credits	4,497	4,825
Environmental Remediation Reserve	32,669	33,361
Regulatory and other liabilities	37,689	34,355

	164,080	152,185
Capitalization		
Common shareholder's equity	293,931	256,969
Preferred stock	-	-
Long-term debt	268,973	268,947
Total Capitalization	562,904	525,916
	\$ 1,091,186	\$ 920,857
	=====	=====

*Derived from audited financial statements.

See the notes to the consolidated financial statements.

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NUI Corporation and Subsidiaries
Consolidated Statement of Cash Flows (Unaudited)
(Dollars in thousands)

	Nine Months Ended June 30,	
	2001	2000
Operating Activities		
Net Income	\$ 23,827	\$ 26,818
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	25,069	23,185
Deferred Federal income taxes	7,014	3,817
Amortization of deferred investment tax credits	(328)	(345)
Other	14,030	1,393
Effects of changes in:		
Accounts receivable, net	9,450	(15,601)
Fuel inventories	1,805	8,559
Accounts payable, deposits, accruals	(15,436)	(2,157)
Over (under) recovered purchase gas costs	(42,285)	9,130
Other	(41,918)	(3,672)
Net cash (used in) provided by operating activities	(18,772)	51,127
Financing Activities		
Proceeds from sales of common stock, net of treasury purchased	417	642
Dividends to shareholders	(9,777)	(9,502)
Funds for construction held by trustee, net	14,122	9,202
Notes receivable from Virginia Gas	(13,000)	-
Notes payable for TIC acquisition	3,000	-

Principal repayments under capital lease obligations	(1,524)	(7,660)
Net short-term borrowings (repayments)	73,705	(11,610)
Net cash provided by (used for) financing activities	66,943	(18,928)
Investing Activities		
Cash expenditures for property, plant and equipment	(30,856)	(30,356)
Other	(13,859)	(1,959)
Net cash used in investing activities	(44,715)	(32,315)
Net increase (decrease) in cash and cash equivalents	\$ 3,456	\$ (116)
	=====	=====
Cash and cash equivalents		
At beginning of period	\$ 3,515	\$ 1,561
At end of period	\$ 6,971	\$ 1,445
Supplemental Disclosures of Cash Flows		
Income taxes paid, net	\$ 3,865	\$ 1,277
Interest paid	\$ 20,832	\$ 17,056

See the notes to the consolidated financial statements.

NUI Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

1. Basis of Presentation

The consolidated financial statements include all operating divisions and subsidiaries of NUI Corporation (collectively referred to as NUI or the Company). NUI is a multi-state company engaged in the sale and distribution of natural gas, energy commodity trading and marketing, sales outsourcing and telecommunications. The Company's utility divisions serve approximately 380,000 customers in seven states along the eastern seaboard of the United States and comprise Elizabethtown Gas Company (New Jersey), City Gas Company of Florida, North Carolina Gas, Elkton Gas (Maryland), Valley Cities Gas (Pennsylvania), Waverly Gas (New York) and Virginia Gas (see Note 4). Virginia Gas is also engaged in other activities, such as pipeline operation; natural gas storage; gathering, marketing and distribution services; natural gas exploration, production and well operation; and propane distribution. The Company's non-regulated businesses include NUI Energy, Inc. (NUI Energy), an energy retailer; NUI Energy Brokers (NUI Energy Brokers), an energy wholesaler; NUI Energy Solutions, Inc., an energy project development and consulting entity; NUI Environmental Group, Inc., an environmental project development subsidiary; Utility Business Services, Inc., (UBS), a geospatial and customer information systems and services subsidiary; NUI Telecom, Inc. (NUI Telecom), a telecommunications

International Telephone Group, Inc. (ITG). The acquisition was treated as a merger whereby ITG merged with and into a subsidiary of the Company. ITG subsequently changed its name to NUI Telecom, Inc. The purchase price totaled \$5.8 million and included the issuance of 113,200 shares of NUI common stock, with the remainder paid in cash. NUI Telecom is a full service telephone company that provides its customers with a single service solution for all their telecommunication requirements including local, long distance, cellular, internet, and data communications services. The Agreement and Plan of Merger contains a provision whereby the previous shareholders of NUI Telecom will receive an additional \$1.0 million in NUI common stock if NUI Telecom achieves certain revenue targets no later than December 31, 2003.

The acquisition was accounted for as a purchase. The excess of the purchase price over the net assets of NUI Telecom is approximately \$5.5 million, which includes the additional earnings contingency noted above, and is being amortized on a straight-line basis over a 20-year period.

4. Purchase of Virginia Gas Company

On March 28, 2001, the Company completed its acquisition of Virginia Gas Company (VGC). The acquisition was treated as a merger whereby VGC became a wholly-owned subsidiary of NUI. The purchase price totaled \$29 million and included the issuance of 792,600 shares of NUI common stock, with the remainder paid in cash. VGC is a natural gas storage, pipeline, and propane and natural gas distribution company, which operates in a region of the nation that has a rapidly growing demand for natural gas and power generation due to significant development. It owns one natural gas facility with fast-injection, fast-withdrawal capabilities and has 50 percent ownership of a second storage facility. During June 2001, the Company reached an agreement to acquire the remaining interest in this storage facility (see "Capital Expenditures and Commitments").

The acquisition is being accounted for as a purchase. The excess of the purchase price over the fair value of the net assets of VGC is estimated to be approximately \$4.6 million and will be amortized on a straight-line basis over a 30-year period. In conjunction with the acquisition, the Company has identified two operations of Virginia Gas that will be held for sale. Accordingly, the net assets of Virginia Gas' Propane and Marketing operations as well as VGC's 50 percent equity interest in a distribution company have been segregated and classified as "Assets Held for Sale" on the Consolidated Balance Sheet at June 30, 2001.

5. Purchase of TIC Enterprises, LLC

On May 15, 2001, the Company acquired the remaining 51 percent interest of TIC Enterprises, LLC (TIC) it did not previously own. The amount paid to the majority owner totaled \$8 million, which was paid in cash and a note payable. TIC is a sales outsourcing firm located in Roswell, GA. TIC has exclusive contracts with the United States Postal Service (USPS), and various telecommunications equipment and service providers that enable TIC to provide a broad range of telephony and data products and services to its customers.

The acquisition is being accounted for as a purchase. The excess of the purchase price over the fair value of the net assets of TIC is estimated to be approximately \$35.7 million and will be amortized on a straight-line basis over a 25-year period.

The Company recorded losses of \$5.3 million through May 15, 2001, for 49 percent of the operating losses TIC incurred prior to completing the acquisition of the remaining 51 percent interest it did not previously own. TIC has experienced longer and more costly delays in transitioning from selling the products of one telecommunications equipment provider to those of another. The demand for telecommunications equipment has also weakened nationwide, adversely affecting TIC's results. As a result of these difficulties, TIC has aggressively taken steps toward cost reductions and restructuring of compensation plans in order to improve its financial performance. The Company expects TIC to achieve break-even status by September 2001 and be well positioned for further growth. While there can be no assurance that the current economic climate for telecommunications equipment will improve in the near-term or that TIC will return to profitability, management believes that the current carrying value of its investment has not been impaired.

6. Goodwill

The excess of the cost over the net assets of acquired businesses is recorded as goodwill, which is included in deferred charges on the balance sheet. Goodwill is amortized on a straight-line basis over its estimated useful life, ranging from 20 to 30 years. The Company has goodwill of \$45.3 million, net of accumulated amortization, at June 30, 2001. Goodwill is reviewed for recoverability periodically or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company has recorded amortization of goodwill of \$420,000 and \$971,000 for the three-month and nine-month period ended June 30, 2001, respectively.

7. Contingencies

Environmental Matters. The Company is subject to federal and state laws with respect to water, air quality, solid waste disposal and employee health and safety matters, and to environmental regulations issued by the United States Environmental Protection Agency (EPA), the New Jersey Department of Environmental Protection (NJDEP) and other federal and state agencies.

The Company owns, or previously owned, certain properties on which manufactured gas plants (MGP) were operated by the Company or by other parties in the past. In New Jersey, the Company has reported the presence of the six MGP sites to the EPA, the NJDEP and the New Jersey Board of Public Utilities (NJBPUB) and is currently conducting remedial activities at all six sites with oversight from the NJDEP. The Company also owns, or previously owned, 10 former MGP facilities located in the states of North Carolina, South Carolina, Pennsylvania, New York and Maryland. Based on the most recent assessment, the Company has recorded a total reserve for environmental investigation and remediation costs of approximately \$33 million, which is the probable minimum amount that the Company expects to expend during the next 20 years. Of this reserve, approximately \$29 million relates to the six New Jersey MGP sites and approximately \$4 million relates to the 10 sites located outside New Jersey.

The Company's prudently incurred remediation costs for the New Jersey MGP

sites have been authorized by the NJBPU to be recoverable in rates. In New Jersey, the Company is currently recovering MGP-related expenditures on an annual basis through base rates and over a rolling seven-year period through its NJBPU approved MGP Remediation Adjustment Clause. As a result, the Company has begun rate recovery of approximately \$8.3 million of environmental costs incurred through June 30, 2000. Accordingly, the Company has recorded a regulatory asset of approximately \$35.3 million as of June 30, 2001, reflecting the future recovery of both incurred costs and future environmental remediation liabilities related to New Jersey MGP sites. The Company has also been successful in recovering a portion of MGP remediation costs incurred for the New Jersey sites from the Company's insurance carriers and continues to pursue additional recovery. With respect to costs associated with the remaining MGP sites located outside New Jersey, the Company intends to pursue recovery from ratepayers, former owners and operators, and insurance carriers, although the Company is not able to express a belief as to whether any or all of these recovery efforts will be successful. The Company is working with the regulatory agencies to prudently manage its MGP costs so as to mitigate the impact of such costs on both ratepayers and shareholders.

Gas Procurement Contracts. Certain of the Company's long-term contracts for the supply, storage and delivery of natural gas include fixed charges that amount to approximately \$60.5 million annually. The Company currently recovers, and expects to continue to recover, such fixed charges through its purchased gas adjustment clauses. As a result of the forthcoming unbundling of natural gas services in New Jersey, these contracts may result in the realization of stranded costs by the Company. Management believes the outcome of these actions will not have a material adverse effect on the Company's results. The Company also is committed to purchase, at market-related prices, minimum quantities of gas that, in the aggregate, are approximately 2.6 billion cubic feet (Bcf) per year or to pay certain costs in the event the minimum quantities are not taken. The Company expects that minimum demand on its systems for the duration of these contracts will continue to exceed these minimum purchase obligations.

Other. The Company is involved in various claims and litigation incidental to its business. In the opinion of management, none of these claims and litigation will have a material adverse effect on the Company's results of operations or its financial condition.

8. New Accounting Standards

The Company will adopt Statement of Financial Accounting Standards No. 141, "Business Combinations" (SFAS 141) and Statement of Financial Accounting Standards No. 142, "Goodwill and Intangible Assets" (SFAS 142) in fiscal 2002. These statements were issued in July 2001 and, when implemented, no longer require that companies amortize goodwill; however an annual assessment is required to determine if the carrying value of goodwill has been impaired. In general, under SFAS 142, acquired intangible assets are to be separately recognized if the intangible asset arises from contractual or other legal rights, or if the intangible asset can be sold, transferred,

licensed, rented, or exchanged, regardless of the company's intent do to so. The value of these intangibles will continue to be amortized over their estimated useful lives. As noted, the Company expects to implement these statements at the beginning of its next fiscal year, October 1, 2001, and will review goodwill recorded for its recent acquisitions to identify the existence of intangibles requiring amortization and support the carrying value of its goodwill.

9. Business Segment Information

The Company's operations are organized and managed by three primary segments: Distribution Services, Energy Sales and Services and Customer Services. The Distribution Services segment distributes natural gas in six states through the Company's regulated utility divisions. The Energy Sales and Services segment reflects the operations of the Company's NUI Energy, NUI Energy Brokers and NUI Virginia Gas subsidiaries, as well as off-system sales made by NUI Energy Brokers on behalf of the utility divisions. The Customer Services segment reflects the operations of the Company's UBS, NUI Telecom and TIC subsidiaries, as well as appliance leasing, repair and maintenance operations. The Company also has corporate operations that do not generate any revenues.

The following table provides information concerning the major segments of the Company for the three and nine month periods ended June 30, 2001 and 2000. Revenues include intersegment sales to affiliated entities, which are eliminated in consolidation. All of the Company's operations are in the United States and therefore do not need separate disclosure by geographic region.

(Dollars in thousands)	Three Months Ended June 30,		Nine Months E June 30,
	2001	2000	2001
Revenues:			
Distribution Services	\$ 99,768	\$ 79,183	\$ 459,543
Energy Sales and Services	157,318	128,190	614,132
Customer Services	16,486	6,324	36,059
Intersegment Revenues	(41,643)	(14,958)	(133,540)
Total Revenues	\$ 231,929	\$ 198,739	\$ 976,194
	=====	=====	=====
Pre-tax Operating Income (Loss):			
Distribution Services	\$ 2,077	\$ 5,444	\$ 54,128
Energy Sales and Services	7,052	1,364	12,219
Customer Services	(1,407)	101	(1,095)
Total Pre-tax Operating Income (Loss)	\$ 7,722	\$ 6,909	\$ 65,252
	=====	=====	=====

A reconciliation of the Company's segment pre-tax operating income to amounts reported on the consolidated financial statements is as follows:

Three Months Ended June 30,	Nine Months E June 30,
--------------------------------	---------------------------

(Dollars in thousands)

	2001	2000	2001
Segment Pre-tax Operating Income	\$ 7,722	\$ 6,909	\$ 65,252
Non-segment pre-tax operating income	(938)	24	(1,793)
Pre-tax Operating Income	\$ 6,784	\$ 6,933	\$ 63,459
	=====	=====	=====

7

NUI Corporation and Subsidiaries
Summary Consolidated Operating Data

	Three Months Ended June 30,		Nine Months June 30
	2001	2000	2001
Operating Revenues (Dollars in thousands)			
Firm sales:			
Residential	\$ 50,131	\$ 36,583	\$ 242,352
Commercial	19,236	14,428	104,109
Industrial	1,870	1,686	10,817
Interruptible Sales	18,836	15,850	68,539
Unregulated Sales	113,207	114,987	478,051
Transportation Services	9,035	9,925	32,135
Customer Service, Appliance Leasing, and Other	19,614	5,280	40,191
	\$ 231,929	\$ 198,739	\$ 976,194
	=====	=====	=====
Gas Sold or Transported (MMcf)			
Firm sales:			
Residential	3,891	3,407	23,056
Commercial	1,841	1,613	10,627
Industrial	78	241	1,072
Interruptible Sales	3,207	3,765	9,866
Unregulated Sales	22,836	31,454	74,687
Transportation Services	8,282	8,766	27,520
	40,135	49,246	146,828
	=====	=====	=====
Average Utility Customers Served			
Firm sales:			
Residential	354,129	348,122	353,916
Commercial	23,891	23,426	23,885
Industrial	250	238	260
Interruptible Sales	38	44	44
Transportation Services	3,457	3,828	3,681
	381,765	375,658	381,786

Degree Days in New Jersey	=====	=====	=====
Actual	485	566	4,971
Normal	568	554	5,101
Percentage variance from normal	15%	2%	3%
	warmer	colder	warmer

Employees (period end) 1,750

NUI Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition
and Results of Operations

The following discussion and analysis refers to NUI Corporation and all of its operating divisions and subsidiaries (collectively referred to as the Company). NUI is a multi-state company engaged in the sale and distribution of natural gas, energy commodity trading and marketing, sales outsourcing and telecommunications. The Company's utility divisions serve approximately 380,000 customers in seven states along the eastern seaboard of the United States and comprise Elizabethtown Gas Company (New Jersey), City Gas Company of Florida, North Carolina Gas, Elkton Gas (Maryland), Valley Cities Gas (Pennsylvania) and Waverly Gas (New York) and Virginia Gas. Virginia Gas is also engaged in other activities, such as pipeline operation; natural gas storage; gathering, marketing and distribution services; natural gas exploration, production and well operation; and propane distribution. The Company's non-regulated subsidiaries include NUI Energy, Inc. (NUI Energy), an energy retailer; NUI Energy Brokers, Inc. (NUI Energy Brokers), an energy wholesaler; NUI Energy Solutions, Inc., an energy project development and consulting entity; NUI Environmental Group, Inc., an environmental project development subsidiary; Utility Business Services, Inc. (UBS), a geospatial and customer information systems and services subsidiary; NUI Telecom, Inc. (NUI Telecom), a telecommunications services subsidiary; and TIC Enterprises, L.L.C. (TIC), a sales outsourcing subsidiary.

On March 28, 2001, the Company completed its acquisition of Virginia Gas Company (VGC) of Abingdon, Virginia. On May 15, 2001, the Company acquired the remaining 51 percent interest of TIC that it did not previously own. NUI originally acquired a 49 percent interest in TIC on May 18, 1997, for \$22 million.

Results of Operations

Three-Month Periods Ended June 30, 2001 and 2000

Net Income. Net income for the three-month period ended June 30, 2001, was \$0.7 million, or \$0.05 per share, as compared with net income of \$1.5 million, or \$0.11 per share, for the three-month period ended June 30, 2000. Net income for the current period includes losses of \$1.0 million, or \$0.07 per share, for the operations of TIC Enterprises, since it became a

wholly-owned subsidiary of the Company on May 15, 2001.

Operating Revenues and Operating Margins. The Company's operating revenues include amounts billed for the cost of purchased gas pursuant to purchased gas adjustment clauses. Such clauses enable the Company to pass through to its customers, via periodic adjustments to customers' bills, increased or decreased costs incurred by the Company for purchased gas without affecting operating margins. Since the Company's utility operations do not earn a profit on the sale of the gas commodity, the Company's level of regulated operating revenues is not necessarily indicative of financial performance.

The Company's operating revenues increased by \$33.2 million, or 17 percent, for the three-month period ended June 30, 2001, as compared with the three-month period ended June 30, 2000. The Company's Distribution Services' revenue increased by approximately \$20.6 million, mainly due to higher gas prices charged through the Company's purchased gas adjustment clauses, an increase in base rates in Florida (see Regulatory Matters), and customer growth. These increases were partially offset by the effect of weather that was 14 percent warmer compared to the three-month period ended June 30, 2000. Customer Services' revenue increased by approximately \$9.0 million, net of intercompany transactions, due to higher sales volumes by NUI Telecom and the recent acquisition of TIC Enterprises (see Note 5 of the Notes to the Consolidated Financial Statements). Energy Sales and Services' revenue increased by approximately \$3.6 million, net of intercompany transactions, primarily due to higher gas prices, an increase in unregulated off-system sales and the acquisition of NUI Virginia Gas.

The Company's operating margins increased by \$14.8 million, or 39 percent, for the three-month period ended June 30, 2001, as compared with the three-month period ended June 30, 2000. The increase was primarily attributable to an increase of approximately \$8.3 million in the Company's Energy Sales and Services segment due to fees earned as part of a customer's future electricity purchases, the continuing volatility

of gas prices experienced throughout the nation, and the recent acquisition of NUI Virginia Gas. NUI's wholesale business, NUI Energy Brokers, increased operating margins \$4.5 million, or 199 percent, and NUI's retail subsidiary, NUI Energy, increased margins \$2.4 million, or 214 percent, as gas costs decreased from the unprecedented levels experienced this past winter. As the price of gas declined, NUI Energy customers began moving away from the month-to-month arrangements to long-term contracts as protection against future seasonal increases. Operating margins increased in the Customer Services segment by approximately \$7.2 million, net of intercompany transactions, due to increased sales by NUI Telecom and UBS, as well as the inclusion of results from TIC Enterprises (see Note 5 of the Notes to the Consolidated Financial Statements). These increases were offset by a decrease of approximately \$0.7 million in the Company's Distribution Services segment as a result of weather that was 14 percent warmer as compared with the three-month period ended June 30, 2000.

Other Operating Expenses. Operations and maintenance expenses increased approximately \$14.5 million, or 66 percent, for the three-month period ended June 30, 2001, as compared with the three-month period ended June 30, 2000. The increase was the result of operating expenses for the recent acquisitions of NUI Virginia Gas and TIC Enterprises, higher provisions for

bad debts, increased labor and employee benefit costs, higher commissions for Energy Brokers as a result of increased margins, and costs associated with the Company's new technology lease. The Company previously owned the technology assets it replaced during the year.

Other Income and Expense, Net. Equity in the losses of TIC decreased approximately \$0.4 million due to operating losses TIC incurred prior to NUI's acquisition of the remaining equity interest in company. The decrease was primarily the result of the continuing slowdown in the demand for telecommunications equipment. Now under NUI's ownership, TIC has continued to work toward improving its cost structure to enable TIC to return to profitability in the near-term.

Interest Expense. Interest expense increased by approximately \$1.6 million for the three-month period ended June 30, 2001, as compared to the same period in the prior year. During the three-month period ended June 30, 2000, in accordance with a Stipulation approved by the New Jersey Board of Public Utilities, the Company was able to recover the carrying costs computed on previously deferred expenses incurred for the investigation and remediation of manufactured gas plant sites in New Jersey. The current year increase is a result of the effect of the prior year recovery, coupled with higher average debt outstanding during 2001 (see Financing Activities and Resources). Partially offsetting this increase was \$0.6 million of interest recorded as a regulatory asset in accordance with a recently approved Stipulation by the New Jersey Board of Public Utilities, which allows the Company to recover carrying costs computed on under-recovered gas costs (see Regulatory Matters).

Nine-Month Periods Ended June 30, 2001 and 2000

Net Income. Net income for the nine-month period ended June 30, 2001, was \$23.8 million, or \$1.80 per share, as compared with net income of \$26.8 million, or \$2.08 per share, for the period ended June 30, 2000. The decrease in the current period was primarily due to losses incurred by TIC which totaled \$6.3 million, or \$0.48 per share, that was offset by improved results of the Company's core businesses.

Operating Revenues and Operating Margins. The Company's operating revenues increased by \$264.7 million, or 37 percent, for the nine-month period ended June 30, 2001, as compared with the nine-month period ended June 30, 2000. The Company's Distribution Services' revenue increased by approximately \$117.8 million, mainly due to the higher cost of gas and customer growth. Weather in New Jersey was 3 percent warmer than normal, but 11 percent colder than the prior year period. Energy Sales and Services' revenue increased by approximately \$134.9 million, net of intercompany transactions, due to higher gas prices and an increase in unregulated off-system sales. Customer Services' revenue increased by approximately \$12.0 million, net of intercompany transactions, due to increased volumes by NUI Telecom, higher sales by UBS and the appliance services operations, and the recent acquisition of TIC (see Note 5 of the Notes to the Consolidated Financial Statements).

The Company's operating margins increased by \$20.5 million, or 13 percent, for the nine-month period ended June 30, 2001, as compared with the nine-month period ended June 30, 2000. The increase was primarily attributable to an increase of \$10.4 million in the Company's Energy Sales and Services segment as a result of the acquisition of NUI Virginia Gas, fees earned as part of a customer's future electricity purchases, and the continued volatility in the price of natural gas. Operating margins

increased approximately \$2.2 million in the Company's Distribution Services segment as a result of customer growth and increased sales due to colder weather in the current period. The Company has weather normalization clauses in its New Jersey and North Carolina tariffs, which are designed to help stabilize the Company's results by increasing

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amounts charged to customers when weather has been warmer than normal and by decreasing amounts charged when weather has been colder than normal. As a result of weather normalization clauses, operating margins were approximately \$0.6 million and \$4.9 million higher in the fiscal 2001 and 2000 periods, respectively, than they otherwise would have been without such clauses. Operating margins increased in the Customer Services segment by approximately \$7.9 million, net of intercompany transactions, due to higher sales by NUI Telecom, UBS and the appliance services operations, as well as the recent acquisition of TIC (see Note 5 of the Notes to the Consolidated Financial Statements).

Other Operating Expenses. Operations and maintenance expenses increased approximately \$17.1 million, or 25 percent, for the nine-month period ended June 30, 2001, as compared with the nine-month period ended June 30, 2000. The increase was primarily the result of the addition of operating expenses of NUI Virginia Gas and TIC since their acquisition dates (see Notes 4 and 5 of the Notes to the Consolidated Financial Statements), higher bad debt expense due to the increase in operating revenues, increased labor and employee benefit costs, higher costs incurred related to the Company's growth businesses, higher commissions for Energy Brokers as a result of increased margins and costs associated with the Company's new technology lease. The Company previously owned the technology assets it replaced during the year.

Depreciation and amortization increased approximately \$1.5 million in the current period, due to additional plant in service and the acquisitions of NUI Virginia Gas and TIC.

Interest Expense. Interest expense increased approximately \$2.9 million, or 19 percent, due to higher levels of short-term debt necessary to finance the Company's purchases of natural gas. The high cost of gas resulted in an average short-term debt balance of \$154.1 million for the nine-month period ended June 30, 2001, compared to \$72.1 million in the previous year (see Financing Activities and Resources). Also contributing to the increase in the current year was the previously noted effect of the prior year recovery of the carrying costs computed on deferred expenses incurred for the investigation and remediation of manufactured gas plant sites in New Jersey in fiscal 2000. Partially offsetting this increase was higher capitalized interest and amounts capitalized as regulatory assets to recover the carrying costs associated with the under-recovery of gas costs.

Regulatory Matters

The Company's City Gas division received approval from the Florida Public Service Commission (FPSC) on January 16, 2001, to increase its annual base rates by \$5.13 million. The new rate level provides for an allowed return on equity of 11.5 percent and an overall allowed rate of return of 7.88 percent.

On November 1, 2000, the New Jersey Board of Public Utilities (NJBPUB) issued an order approving an increase in the New Jersey purchased gas adjustment clause (PGA) of 17.3 percent. The rate increase was effective immediately and results in a revenue increase of approximately \$47 million annually. In addition, the Company was allowed to increase the PGA rate by an additional 2 percent each month between December 2000 and April 2001. Each of these monthly rate increases added revenues of up to \$6 million on an annual basis. The increased PGA rate was granted to cover the higher costs the Company has been paying for its natural gas purchases, which had risen from about \$2.50 per dekatherm in July 1999 to as high as \$10.00 per dekatherm in January 2001 (see "Financing Activities and Resources"). In a December 1, 2000 filing, the Company proposed the extension of the monthly 2 percent rate adjustments for an additional three months and authorization to record interest on its under-recovered gas balance. On March 20, 2001, the NJBPUB issued an order approving the Company's request to extend the monthly 2 percent increases through July 2001 if actual gas costs warrant such increases. The Company has implemented these increases. In addition, the order allows the Company to begin recording interest on its under-recovered gas cost balance, and established a new rate adjustment to recover the gas cost under-recovery balance as of October 31, 2001 with associated interest over a three-year period.

Financing Activities and Resources

The Company had net cash used in operating activities of \$18.8 for the nine-month period ended June 30, 2001, compared to net cash provided by operating activities of \$51.1 million for the same period in the prior year. The decrease was primarily due to substantial increases in cash required to fund under-recovered gas costs and the timing of payments to gas suppliers. These increases were partially offset by amounts collected from customers.

The Company expects to raise \$60 million from the issuance of intermediate debt during August 2001. The proceeds would be used to repay the short-term debt used, in part, to acquire NUI Virginia Gas. Additionally, the Company plans an equity offering of approximately \$25 million of common stock in the fall of 2001. The proceeds of the equity offering would be used to further reduce its short-term indebtedness and other general corporate purposes.

Because the Company's business is highly seasonal, short-term debt is used to meet seasonal working capital requirements. The Company also borrows under its bank lines of credit to finance portions of its capital expenditures, pending refinancing through the issuance of equity or long-term indebtedness at a later date, depending upon prevailing market conditions.

Short-Term Debt. The weighted average daily amounts outstanding of notes payable to banks and the weighted average interest rates on those amounts were \$154.1 million at 5.9 percent for the nine-month period ended June 30, 2001, and \$72.1 million at 6.6 percent for the nine-month period ended June 30, 2000. At June 30, 2001, the Company had outstanding notes payable to banks amounting to \$215.8 million and available unused lines of credit amounting to \$15.7 million. Notes payable to banks increased as of June 30, 2001, as compared to the balance outstanding at September 30, 2000, due to

reasons discussed above.

Long-Term Debt and Funds for Construction Held by Trustee. The Company deposits in trust the unexpended portion of the net proceeds from its Gas Facilities Revenue Bonds until drawn upon for eligible expenditures. As of June 30, 2001, the total unexpended portions of all of the Company's Gas Facilities Revenue Bonds were \$7.2 million and are classified on the Company's consolidated balance sheet, including interest earned thereon, as funds for construction held by trustee.

Common Stock. On November 12, 1999, the Company issued 113,200 shares of NUI common stock that was used for the purchase of NUI Telecom (see Note 3 of the Notes to the Consolidated Financial Statements). On March 28, 2001, the Company issued 792,600 shares of NUI common stock that was used for the purchase of Virginia Gas (see Note 4 of the Consolidated Financial Statements).

Dividends. The Company's long-term debt agreements include, among other things, restrictions as to the payment of cash dividends. Under the most restrictive of these provisions, the Company is permitted to pay approximately \$80.9 million of cash dividends at June 30, 2001.

Assets Held for Sale. Upon completing the acquisition of Virginia Gas, the Company now seeks to focus on the development of the Virginia Gas operations that complement and augment existing NUI businesses and have opportunities for growth. Accordingly, the Company intends to sell the net assets of NUI Virginia Gas' Propane and Marketing operations, as well as its 50 percent equity investment in a distribution company. The proceeds are expected to be reinvested in additional pipeline and storage capacity to facilitate the growth of NUI Virginia Gas.

Capital Expenditures and Commitments

Capital expenditures, which consist primarily of expenditures to expand and upgrade the Company's gas distribution systems, were \$30.9 million for the nine-month period ended June 30, 2001, as compared to \$30.4 million for the nine-month period ended June 30, 2000. Capital expenditures are expected to be approximately \$64 million for all of fiscal 2001, as compared with a total of \$52.7 million in fiscal 2000. Included in the spending for fiscal 2001 is approximately \$14 million related to Phase I construction of a distribution pipeline to bring natural gas service to Florida Crystals Corporation and the nearby towns of South Bay and Belle Glade, Florida. The remaining capital expenditure budget for fiscal 2001 will be used primarily for the continued expansion and upkeep of the Company's natural gas distribution system, as well as certain technology projects.

Environmental. The Company owns or previously owned six former manufactured gas plant (MGP) sites in the state of New Jersey and ten former MGP sites in the states of North Carolina, South Carolina, Pennsylvania, New York and Maryland. Based on the Company's most recent assessment, the Company has recorded a total reserve for environmental investigation and remediation costs of approximately \$33 million, which is the probable minimum amount that the Company expects it will expend in the next 20 years to remediate the Company's MGP sites. Of this reserve, approximately \$29 million relates to New Jersey MGP sites and approximately \$4 million relates to the MGP

sites located outside New Jersey. The Company believes that all costs associated with the New Jersey MGP sites will be recoverable in rates or from insurance carriers. In New Jersey, the Company is currently recovering environmental costs on an annual basis through base rates and over a rolling seven-year period through its MGP Remediation Adjustment Clause. As a result, the Company has begun rate recovery of approximately \$8.3 million of environmental costs incurred through June 30, 2000. With respect to costs that may be associated with the MGP sites located outside the state of New Jersey, the Company intends to pursue recovery from ratepayers, former owners and operators of the sites and from insurance carriers. However, the Company is not able, at this time, to express a belief as to whether any or all of these recovery efforts will ultimately be successful.

Gas Procurement Contracts. Certain of the Company's long-term contracts for the supply, storage and delivery of natural gas include fixed charges that amount to approximately \$60.5 million annually. The Company currently recovers, and expects to continue to recover, such fixed charges through its purchased gas adjustment clauses. As a result of the forthcoming unbundling of natural gas services in New Jersey, these contracts may result in the realization of stranded costs by the Company. Management believes the outcome of these actions will not have a material adverse effect on the Company's results. The Company also is committed to purchase, at market-related prices, minimum quantities of gas that, in the aggregate, are approximately 2.6 billion cubic feet (Bcf) per year or to pay certain costs in the event the minimum quantities are not taken. The Company expects that minimum demand on its systems for the duration of these contracts will continue to exceed these minimum purchase obligations.

Long-Term Debt. The Company is scheduled to repay \$20 million of Medium-Term Notes in August 2002.

Joint Venture with Duke Energy. On April 30, 2001, the Company announced an agreement with a unit of Duke Energy to develop a natural gas storage facility in Saltville, Virginia. NUI's Virginia Gas subsidiary and Duke Energy Gas Transmission (DEGT) have agreed to basic business terms and will create a limited liability company, Saltville Gas Storage Company LLC. The transaction is subject to execution of definitive agreements.

The agreement will allow for the expansion of the present Saltville storage facility from its current capacity of 1.1 billion cubic feet (Bcf) to 10 Bcf and connect it to DEGT's East Tennessee Natural Gas (ETNG) mainline system. At full capacity, the Saltville storage field will be able to deliver up to 500 million cubic feet of natural gas to area markets. The Saltville facility features fast-injection and fast-withdrawal capabilities offered by salt cavern storage.

Development of the Saltville facility creates a strategically located energy-trading hub for NUI's wholesale trading arm, NUI Energy Brokers. This will enable the Company to capitalize on the energy supply, wholesale trading and portfolio management opportunities in the rapidly developing Mid-Atlantic region. The additional storage capacity will allow the Company to meet the significant demand from local distribution companies as well as power plant development that is underway in the region.

Sale of Valley Cities Gas and Waverly Gas. On October 4, 2000, the Company

agreed to sell the assets of its Valley Cities Gas and Waverly Gas utility divisions (VCW) to C&T Enterprises, Inc. (C&T), of Pennsylvania for \$15 million. C&T will pay an additional \$3 million to the Company should certain revenue targets be achieved. The transaction is expected to close during the latter portion of fiscal 2001 after all regulatory approvals have been obtained. For the nine months ended June 30, 2001, VCW generated \$10.5 million of operating revenues, \$3.0 million of operating margin and \$0.8 million of operating income.

Acquisition of Virginia Gas Storage Company and Virginia Gas Distribution Company. During June 2001, the Company completed an agreement with the individuals that own of the remaining 50 percent interests in Virginia Gas Storage Company (VGSC) and Virginia Gas Distribution Company (VGDC). Two individuals each own 25 percent of the stock of both VGSC and VGDC. Under terms of the agreement, the Company would pay each owner \$750,000 and issue 72,324 shares of NUI Common Stock in exchange for their stock in both VGSC and VGDC. The transaction is expected to close in the fall of 2001 after regulatory approval has been obtained. As noted in "Financing Activities and Resources- Assets Held for Sale", the Company intends to sell the assets of VGDC within the next twelve months.

Market Risk Exposure

The Company's wholesale trading subsidiary, NUI Energy Brokers, uses derivatives for multiple purposes: i) to hedge price commitments and minimize the risk of fluctuating gas prices, ii) to take advantage of market information and opportunities in the marketplace, and iii) to fulfill its trading strategies and, therefore, ensure favorable prices and margins. These derivative instruments include forwards, futures, options and swaps.

The risk associated with uncovered derivative positions is closely monitored on a daily basis, and controlled in accordance with NUI Energy Brokers' Risk Management Policy. This policy has been approved by the Company's Board of Directors and dictates policies and procedures for all trading activities. The policy defines both value-at-risk (VaR) and loss limits, and all traders are required to read and follow this policy. At the end of each day, all trading positions are marked-to-market and a VaR is calculated. This information, as well as the status of all limits, is disseminated to senior management daily.

NUI Energy Brokers utilizes the variance/covariance VaR methodology. Using a 95 percent confidence interval and a one-day time horizon, as of June 30, 2001, NUI Energy Brokers' VaR was \$250,000.

Forward-Looking Statements

This document contains forward-looking statements. These statements are based on management's current expectations and information currently available and are believed to be reasonable and are made in good faith. However, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in the statements. Factors that may make the actual results differ from anticipated results include, but are not limited to, economic conditions; competition from other providers of similar products; and other uncertainties, all of which are difficult to predict and some of which are beyond our control. For these reasons, you should not rely on these forward-looking statements when making investment decisions. The words "expect," "believe," "project," "anticipate," "intend," "should," "could,"

and variations of such words and similar expressions, are intended to identify forward-looking statements. We do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise.

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PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

None

(b) Reports on Form 8-K

On May 15, 2001, the Company filed a Form 8-K, Item 5, Other Events, reporting the NUI had reached a definitive agreement with the majority owner of TIC Enterprises, LLC to acquire the outstanding 51 percent equity interest in TIC it did not own.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

August 13, 2001

NUI CORPORATION

JOHN KEAN, JR.
President and Chief Executive
Officer

August 13, 2001

A. MARK ABRAMOVIC
Sr. Vice President, Chief
Operating Officer & Chief
Financial Officer

EXHIBIT G

Capital Expenditures Budget

Applicant is a reseller and will not have equipment in Tennessee.

EXHIBIT H

Corporate Surety Bond

Applicant is in the process of obtaining a surety bond or irrevocable letter of credit and will submit it to the Regulatory Authority upon receipt.

EXHIBIT I

Small and Minority-Owned Telecommunications Business Participation Plan

NUI TELECOM, INC.

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS
BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-212, as amended, NUI Telecom, Inc. ("NUI) submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. NUI is committed to the goals of §65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. NUI will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, NUI will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to NUI of such opportunities. NUI's representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, NUI will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in §65-5-212.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

NUI's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting NUI's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Richard M. Boudria, President
NUI Telecom, Inc.
550 Route 202-206, 2nd Floor
Bedminster, NJ 07921
Telephone: (908) 470-4700
Facsimile: (908) 470-4707

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-212.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within NUI and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce
The Tennessee Department of Economic and Community Development
The United States Department of Commerce
Small Business Administration
Office of Minority Business
The National Minority Supplier Development Counsel
The National Association of Women Business Owners
The National Association of Minority Contractors
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

NUI will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, NUI will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

NUI will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, NUI will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

NUI Telecom, Inc.

By: Richard M. Boudria
Richard M. Boudria
President

Dated: Nov 6, 2001.

EXHIBIT J

Toll Dialing Parity Plan

EXHIBIT K

Notice of Application

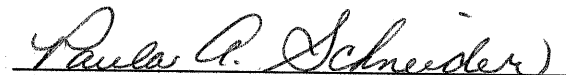
CERTIFICATE OF SERVICE

STATE OF MICHIGAN)
)
COUNTY OF KALAMAZOO) ss.

Paula A. Schneider, being duly sworn, deposes and states that on the 3rd day of April 2002, she served a copy of the NOTICE OF FILING of the APPLICATION OF NUI TELECOM, INC. FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES via U.S. Mail on the parties on the attached service list.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 3rd day of April, 2002, at Kalamazoo, Michigan.


Paula A. Schneider

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION OF)
NUI TELECOM, INC.)
FOR A CERTIFICATE)
TO PROVIDE COMPETING LOCAL)
TELECOMMUNICATIONS SERVICES)

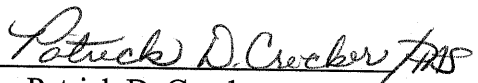
NOTICE OF FILING

TO: ALL INTERESTED PARTIES SET FORTH IN EXHIBIT K OF THIS APPLICATION.

PLEASE TAKE NOTICE, that in accordance with the Tennessee Regulatory Authority Rules for the Provision of Competitive Intrastate Telecommunications Services, you are hereby given notice that on April 4, 2002, NUI TELECOM, INC. filed an Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange Resold Telecommunications Services.

This 3rd day of April, 2002.

NUI TELECOM, INC.

BY: Patrick D. Crocker /s/ 
Patrick D. Crocker
Its Attorney

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 1) **ARDMORE TELEPHONE COMPANY, INC.**
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449
(205) 423-2131
(205) 423-2208 (Fax)

- 2) **BELLSOUTH**
333 Commerce Street
Nashville, TN 37201-3300
(615) 214-3800
(615) 214-8820 (Fax)

- 3) **CENTURY TELEPHONE OF ADAMSVILLE**
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310
(901) 632-3311
(901) 632-0232 (Fax)

- 4) **CENTURY TELEPHONE OF CLAIBORNE**
P.O. Box 100
507 Main Street
New Tazewell, TN 37825
(423) 626-4242
(423) 626-5224 (Fax)

- 5) **CENTURY TELEPHONE OF OOLTEWAH-COLLEGE DALE, INC.**
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363
(423) 238-4102
(423) 238-5699 (Fax)

- 6) **CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE**
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 7) **CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE**
P.O. Box 770
300 Bland Street
Bluefield, WV 24701
- 8) **LORETTO TELEPHONE COMPANY, INC.**
P.O. Box 130
Loretto, TN 38469
(931) 853-4351
(931) 853-4329 (Fax)
- 9) **MILLINGTON TELEPHONE COMPANY, INC.**
P.O. Box 429
4880 Navy Road
Millington, TN 38083-0429
(901) 872-3311
(901) 873-0022 (Fax)
- 10) **SPRINT-UNITED**
112 Sixth Street
Bristol, TN 37620
(423) 968-8161
(423) 968-3148 (Fax)
- 11) **TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.**
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610
(423) 966-5828
(423) 966-9000 (Fax)
- 12) **TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY**
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552
(931) 535-2200
(931) 535-3309 (Fax)
- 13) **TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.**
P.O. Box 9